

CONFERENCE COMMITTEE REPORT DIGEST FOR EHB 1358

Citations Affected: IC 6-1.1-24-5.3; IC 8-1.5-3-12; IC 32-30-10-14; IC 35-43-2-2; IC 36-1-6; IC 36-7; IC 36-9-41.

Synopsis: Local government. CONFERENCE COMMITTEE REPORT FOR EHB 1358. Applies restrictions on purchasing real property at a tax sale to a person who owns a fee interest, a life estate interest, or the equitable interest of a contract purchaser in a vacant or abandoned structure subject to an enforcement order concerning a nuisance or an unsafe building. Provides that a person not having a contractual interest in a vacant or abandoned property commits criminal trespass if: (1) a law enforcement officer who has a reasonable suspicion that criminal activity has occurred or is occurring prohibits the person from entering or asks the person to leave the property; and (2) the person knowingly or intentionally enters or refuses to leave the property. Provides that a person commits criminal trespass if the person knowingly or intentionally enters a vacant or abandoned property subject to an abatement order after being denied entry by a court order issued to the person or issued to the general public by posting on or around the premises. Defines a "continuous enforcement order" as an order that: (1) is issued for compliance or abatement and remains in full force and effect without further compliance and abatement authority orders for the same or similar violations; (2) authorizes specific ongoing compliance and enforcement activities if a property requires reinspection or additional periodic abatement; (3) can be enforced without additional notice or hearing; and (4) authorizes the enforcement authority to assess and collect ongoing costs for continuous enforcement order activities from any party that is subject to the enforcement authority's order. Allows a municipal corporation to enforce a continuous enforcement order requiring compliance with an ordinance without issuing additional notice. In a civil proceeding to enforce an ordinance of a municipal corporation, allows a court to: (1) issue a continuous enforcement order; (2) order the suspension or revocation of a license; and (3) order demolition of a structure. Directs a hearing authority under the unsafe building law that affirms or modifies an order to issue a continuous enforcement order. Provides that if a second or subsequent civil judgment is entered against a property owner (relating to the same or a different property) a court may order the owner to pay treble damages based on the costs of the ordered action. Adds provisions regarding abatement of vacant and abandoned structures that a municipality or county may adopt by ordinance. Provides that an owner of a vacant structure or an abandoned structure may be liable for civil penalties if the owner fails to act to change the status of the property as vacant or abandoned. Requires the mayor to appoint five members and the city-county council to appoint four members of the

Indianapolis Historic Preservation Commission. (Current law requires the mayor to appoint all nine members.) Requires the city-county council to appoint one member who is a resident of a historic district. (Current law requires the mayor to appoint at least one member who is a resident of a historic district.) Allows the city-county council to appoint one member and the mayor to appoint two members from lists of names submitted by the Historic Landmarks Foundation of Indiana and the historical society of Marion County. Allows the mayor to appoint one member who is a member of the metropolitan development commission. Allows the mayor and the city-county council to each appoint a member from a list of names submitted by the local chapter of the American Institute of Architects. (Current law provides that the mayor makes the discretionary appointments.) Provides that a member appointed before July 1, 2009, continues to serve as a member of the commission after June 30, 2009, until the member's term expires or the executive removes the member for cause. Provides that if the executive removes the member for cause, the executive shall appoint a successor to serve for the remainder of the vacated term. Amends the provisions authorizing political subdivisions to borrow the money necessary to finance a public work project from a financial institution to allow political subdivisions to also borrow to finance an eligible efficiency project that costs not more than \$3,000,000. Defines "eligible efficiency project" as a project that is necessary or useful to: (1) carrying out an interlocal cooperation agreement entered into by two or more political subdivisions or governmental entities; or (2) the consolidation of local government services. Authorizes a municipality to borrow money from a municipally owned utility to carry out an eligible efficiency project within the municipality. Provides that property tax proceeds allocated under tax increment financing may be used to carry out an eligible efficiency project only if those property tax proceeds are in excess of the amount necessary to make certain other payments (including payments of principal and interest on bonds and other obligations, payments of premiums on the redemption before maturity of bonds, and payments on leases). **(This conference committee report: (1) revises the provisions concerning continuous enforcement orders; (2) adds the provision allowing a court to order the suspension or revocation of a license; (3) changes the proposed authority of a court from ordering demolition of "property" to ordering demolition of "a structure"; (4) adds, in the provisions regarding abatement of vacant and abandoned structures, a definition of "vacant real property" and authority for an enforcement authority to administer and enforce the provisions in any enforcement action; (5) deletes certain property on which criminal activity has occurred from the definition of "abandoned structure" in the provisions regarding abatement of vacant and abandoned structures; (6) deletes the prohibition against political subdivisions certifying certain items for collection in a tax sale during a specified period; (7) adds the provisions concerning the Indianapolis Historic Preservation Commission; (8) adds the provisions concerning eligible efficiency projects; (9) deletes sheriff's sale provisions; and (10) deletes the provision concerning certification to the county auditor of certain tax sale information.)**

Effective: July 1, 2009.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1358 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning local
- 3 government.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 6-1.1-24-5.3, AS AMENDED BY P.L.169-2006,
- 6 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 JULY 1, 2009]: Sec. 5.3. (a) This section applies to the following:
- 8 (1) A person who:
- 9 (A) owns a fee interest, a life estate interest, or the equitable
- 10 interest of a contract purchaser in an unsafe building or unsafe
- 11 premises in the county in which a sale is held under this
- 12 chapter; and
- 13 (B) is subject to an order issued under IC 36-7-9-5(a)(2),
- 14 IC 36-7-9-5(a)(3), IC 36-7-9-5(a)(4), or IC 36-7-9-5(a)(5)
- 15 regarding which the conditions set forth in IC 36-7-9-10(a)(1)
- 16 through IC 36-7-9-10(a)(4) exist.
- 17 (2) A person who:
- 18 (A) owns a fee interest, a life estate interest, or the equitable
- 19 interest of a contract purchaser in an unsafe building or unsafe
- 20 premises in the county in which a sale is held under this
- 21 chapter; and
- 22 (B) is subject to an order issued under IC 36-7-9-5(a), other

- 1 than an order issued under IC 36-7-9-5(a)(2),
 2 IC 36-7-9-5(a)(3), IC 36-7-9-5(a)(4), or IC 36-7-9-5(a)(5),
 3 regarding which the conditions set forth in IC 36-7-9-10(b)(1)
 4 through IC 36-7-9-10(b)(4) exist.
- 5 (3) A person who is the defendant in a court action brought under
 6 IC 36-7-9-18, IC 36-7-9-19, IC 36-7-9-20, IC 36-7-9-21, or
 7 IC 36-7-9-22 in the county in which a sale is held under this
 8 chapter that has resulted in a judgment in favor of the plaintiff and
 9 the unsafe condition that caused the action to be brought has not
 10 been corrected.
- 11 (4) A person who has any of the following relationships to a
 12 person, partnership, corporation, or legal entity described in
 13 subdivisions (1), (2), or (3);
- 14 (A) A partner of a partnership.
 - 15 (B) An officer or majority stockholder of a corporation.
 - 16 (C) The person who directs the activities or has a majority
 17 ownership in a legal entity other than a partnership or
 18 corporation.
- 19 (5) A person who, in the county in which a sale is held under this
 20 chapter, owes:
- 21 (A) delinquent taxes;
 - 22 (B) special assessments;
 - 23 (C) penalties;
 - 24 (D) interest; or
 - 25 (E) costs directly attributable to a prior tax sale;
- 26 on a tract or an item of real property listed under section 1 of this
 27 chapter.
- 28 **(6) A person who owns a fee interest, a life estate interest, or**
 29 **the equitable interest of a contract purchaser in a vacant or**
 30 **abandoned structure subject to an enforcement order under**
 31 **IC 32-30-6, IC 32-30-7, IC 32-30-8, or IC 36-7-9.**
- 32 ~~(6)~~ (7) A person who is an agent of the person described in this
 33 subsection.
- 34 (b) A person subject to this section may not purchase a tract offered
 35 for sale under section 5 or 6.1 of this chapter. However, this section
 36 does not prohibit a person from bidding on a tract that is owned by the
 37 person and offered for sale under section 5 of this chapter.
- 38 (c) The county treasurer shall require each person who will be
 39 bidding at the tax sale to sign a statement in a form substantially
 40 similar to the following:
- 41 "Indiana law prohibits a person who owes delinquent taxes,
 42 special assessments, penalties, interest, or costs directly
 43 attributable to a prior tax sale, from purchasing tracts or items of
 44 real property at a tax sale. I hereby affirm under the penalties for
 45 perjury that I do not owe delinquent taxes, special assessments,
 46 penalties, interest, costs directly attributable to a prior tax sale,
 47 amounts from a final adjudication in favor of a political
 48 subdivision in this county, any civil penalties imposed for the
 49 violation of a building code or ordinance of this county, or any
 50 civil penalties imposed by a health department in this county.
 51 Further, I hereby acknowledge that any successful bid I make in

violation of this statement is subject to forfeiture. In the event of forfeiture, the amount of my bid shall be applied to the delinquent taxes, special assessments, penalties, interest, costs, judgments, or civil penalties I owe, and a certificate will be issued to the county executive."

(d) If a person purchases a tract that the person was not eligible to purchase under this section, the sale of the property is subject to forfeiture. If the county treasurer determines or is notified not more than six (6) months after the date of the sale that the sale of the property should be forfeited, the county treasurer shall:

(1) notify the person in writing that the sale is subject to forfeiture if the person does not pay the amounts that the person owes within thirty (30) days of the notice;

(2) if the person does not pay the amounts that the person owes within thirty (30) days after the notice, apply the surplus amount of the person's bid to the person's delinquent taxes, special assessments, penalties, and interest;

(3) remit the amounts owed from a final adjudication or civil penalties in favor of a political subdivision to the appropriate political subdivision; and

(4) notify the county auditor that the sale has been forfeited.

Upon being notified that a sale has been forfeited, the county auditor shall issue a certificate to the county executive under section 6 of this chapter.

(e) A county treasurer may decline to forfeit a sale under this section because of inadvertence or mistake, lack of actual knowledge by the bidder, substantial harm to other parties with interests in the tract or item of real property, or other substantial reasons. If the treasurer declines to forfeit a sale, the treasurer shall:

(1) prepare a written statement explaining the reasons for declining to forfeit the sale; and

(2) retain the written statement as an official record.

(f) If a sale is forfeited under this section and the tract or item of real property is redeemed from the sale, the county auditor shall deposit the amount of the redemption into the county general fund and notify the county executive of the redemption. Upon being notified of the redemption, the county executive shall surrender the certificate to the county auditor.

SECTION 2. IC 8-1.5-3-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 12. (a) A municipality may, by ordinance of its legislative body, borrow money from a utility owned by the municipality for **any of the following purposes:**

(1) Current purposes in anticipation of taxes levied and to be collected during the current or following year.

(2) Carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the municipality.

(b) The board may by resolution lend money to the municipality if the utility has on hand:

(1) a surplus of cash exceeding by at least the amount loaned the sum of all amounts required to pay the indebtedness of the utility falling due during the current calendar year and the following

year;

(2) the amount necessary to meet current expenses during the year; and

(3) the amount necessary to pay for improvements contemplated to be made during the current calendar year minus the estimated receipts during the calendar year.

(c) A loan **made under subsection (a)(1)** may not be made for a sum in excess of fifty percent (50%) of the amount estimated to be collected from anticipated taxes. ~~The~~

(d) A loan under this section:

(1) must be evidenced by an obligation of the municipality;

(2) must be signed by the executive;

(3) is due:

(A) on or before thirty (30) days after the last day for the payment of anticipated taxes, in the case of a loan made under subsection (a)(1); and

(B) on a date determined by the board (but not more than six (6) years after the date of the loan), in the case of a loan made under subsection (a)(2); and

(4) may bear interest at any rate as determined by the board, payable at maturity.

SECTION 3. IC 32-30-10-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 14. The proceeds of a sale described in IC 32-29-7 or section 8 or 12(b) of this chapter must be applied in the following order:

(1) Expenses of the offer and sale, including expenses incurred under IC 32-29-7-4 or section 9 of this chapter (or IC 34-1-53-6.5 or IC 32-15-6-6.5 before their repeal).

~~(2) The amount of any property taxes on the property sold:~~

~~(A) that are due and owing; and~~

~~(B) for which the due date has passed as of the date of the sheriff's sale.~~

~~The sheriff shall transfer the amounts collected under this subdivision to the county treasurer not more than ten (10) days after the date of the sheriff's sale.~~

~~(3) Any amount of redemption where a certificate of sale is outstanding.~~

~~(4) (2) The payment of the principal due, interest, and costs not described in subdivision (1).~~

~~(5) (3) The residue secured by the mortgage and not due.~~

~~(6) (4) If the residue referred to in subdivision (5) (3) does not bear interest, a deduction must be made by discounting the legal interest.~~

In all cases in which the proceeds of sale exceed the amounts described in subdivisions (1) through ~~(6)~~; **(4)**, the surplus must be paid to the clerk of the court to be transferred, as the court directs, to the mortgage debtor, mortgage debtor's heirs, or other persons assigned by the mortgage debtor.

SECTION 4. IC 35-43-2-2, AS AMENDED BY SEA 21-2009, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) A person who:

(1) not having a contractual interest in the property, knowingly or intentionally enters the real property of another person after having been denied entry by the other person or that person's agent;

(2) not having a contractual interest in the property, knowingly or intentionally refuses to leave the real property of another person after having been asked to leave by the other person or that person's agent;

(3) accompanies another person in a vehicle, with knowledge that the other person knowingly or intentionally is exerting unauthorized control over the vehicle;

(4) knowingly or intentionally interferes with the possession or use of the property of another person without the person's consent;

(5) not having a contractual interest in the property, knowingly or intentionally enters the dwelling of another person without the person's consent; **or**

(6) knowingly or intentionally:

(A) travels by train without lawful authority or the railroad carrier's consent; and

(B) rides on the outside of a train or inside a passenger car, locomotive, or freight car, including a boxcar, flatbed, or container without lawful authority or the railroad carrier's consent;

(7) not having a contractual interest in the property, knowingly or intentionally enters or refuses to leave the property of another person after having been prohibited from entering or asked to leave the property by a law enforcement officer when the property is:

(A) vacant or designated by a municipality or county enforcement authority to be abandoned property; and

(B) subject to abatement under IC 32-30-6, IC 32-30-7, IC 32-30-8, IC 36-7-9, or IC 36-7-36; or

(8) knowingly or intentionally enters the property of another person after being denied entry by a court order that has been issued to the person or issued to the general public by conspicuous posting on or around the premises in areas where a person can observe the order when the property:

(A) has been designated by a municipality or county enforcement authority to be a vacant property or an abandoned property; and

(B) is subject to an abatement order under IC 32-30-6, IC 32-30-7, IC 32-30-8, IC 36-7-9, or IC 36-7-36;

commits criminal trespass, a Class A misdemeanor. However, the offense is a Class D felony if it is committed on a scientific research facility, on a key facility, on a facility belonging to a public utility (as defined in IC 32-24-1-5.9(a)), on school property, or on a school bus or the person has a prior unrelated conviction for an offense under this section concerning the same property.

(b) A person has been denied entry under subdivision (a)(1) of this section when the person has been denied entry by means of:

(1) personal communication, oral or written; **or**

(2) posting or exhibiting a notice at the main entrance in a manner that is either prescribed by law or likely to come to the attention of the public; or

(3) a hearing authority or court order under IC 32-30-6, IC 32-30-7, IC 32-30-8, IC 36-7-9, or IC 36-7-36.

(c) A law enforcement officer may not deny entry to property or ask a person to leave a property under subsection (a)(7) unless there is reasonable suspicion that criminal activity has occurred or is occurring.

(d) A person described in subsection (a)(7) violates subsection (a)(7) unless the person has the written permission of the owner, owner's agent, enforcement authority, or court to come onto the property for purposes of performing maintenance, repair, or demolition.

(e) A person described in subsection (a)(8) violates subsection (a)(8) unless the court that issued the order denying the person entry grants permission for the person to come onto the property.

~~(c)~~ **(f) Subsections (a), and (b), and (e) do not apply to the following:**

(1) A passenger on a train.

(2) An employee of a railroad carrier while engaged in the performance of official duties.

(3) A law enforcement officer, firefighter, or emergency response personnel while engaged in the performance of official duties.

(4) A person going on railroad property in an emergency to rescue a person or animal from harm's way or to remove an object that the person reasonably believes poses an imminent threat to life or limb.

(5) A person on the station grounds or in the depot of a railroad carrier:

(A) as a passenger; or

(B) for the purpose of transacting lawful business.

(6) A:

(A) person; or

(B) person's:

(i) family member;

(ii) invitee;

(iii) employee;

(iv) agent; or

(v) independent contractor;

going on a railroad's right-of-way for the purpose of crossing at a private crossing site approved by the railroad carrier to obtain access to land that the person owns, leases, or operates.

(7) A person having written permission from the railroad carrier to go on specified railroad property.

(8) A representative of the Indiana department of transportation while engaged in the performance of official duties.

(9) A representative of the federal Railroad Administration while engaged in the performance of official duties.

(10) A representative of the National Transportation Safety Board while engaged in the performance of official duties.

SECTION 5. IC 36-1-6-2, AS AMENDED BY P.L.194-2007, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) If a condition violating an ordinance of a municipal corporation exists on real property, employees or contractors of a municipal corporation may enter onto that property and take appropriate action to bring the property into compliance with the ordinance. However, before action to bring compliance may be taken, all persons holding a substantial interest in the property must be given a reasonable opportunity of at least ten (10) days but not more than sixty (60) days to bring the property into compliance. **Continuous enforcement orders (as defined in IC 36-7-9-2) can be enforced and liens may be assessed without the need for additional notice.** If the municipal corporation takes action to bring compliance, the expenses incurred by the municipal corporation to bring compliance constitute a lien against the property. The lien attaches when notice of the lien is recorded in the office of the county recorder in which the property is located. The lien is superior to all other liens except liens for taxes, in an amount that does not exceed:

(1) ten thousand dollars (\$10,000) for real property that:

(A) contains one (1) or more occupied or unoccupied single or double family dwellings or the appurtenances or additions to those dwellings; or

(B) is unimproved; or

(2) twenty thousand dollars (\$20,000) for all other real property not described in subdivision (1).

(b) The municipal corporation may issue a bill to the owner of the real property for the costs incurred by the municipal corporation in bringing the property into compliance with the ordinance, including administrative costs and removal costs.

(c) A bill issued under subsection (b) is delinquent if the owner of the real property fails to pay the bill within thirty (30) days after the date of the issuance of the bill.

(d) Whenever a municipal corporation determines it necessary, the officer charged with the collection of fees and penalties for the municipal corporation shall prepare:

(1) a list of delinquent fees and penalties that are enforceable under this section, including:

(A) the name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;

(B) a description of the premises, as shown on the records of the county auditor; and

(C) the amount of the delinquent fees and the penalty; or

(2) an instrument for each lot or parcel of real property on which the fees are delinquent.

(e) The officer shall record a copy of each list or each instrument with the county recorder, who shall charge a fee for recording the list or instrument under the fee schedule established in IC 36-2-7-10.

(f) The amount of a lien shall be placed on the tax duplicate by the auditor. The total amount, including any accrued interest, shall be collected in the same manner as delinquent taxes are collected and shall be disbursed to the general fund of the municipal corporation.

(g) A fee is not enforceable as a lien against a subsequent owner of property unless the lien for the fee was recorded with the county recorder before conveyance to the subsequent owner. If the property is conveyed before the lien is recorded, the municipal corporation shall notify the person who owned the property at the time the fee became payable. The notice must inform the person that payment, including penalty fees for delinquencies, is due not later than fifteen (15) days after the date of the notice. If payment is not received within one hundred eighty (180) days after the date of the notice, the amount due may be considered a bad debt loss.

(h) The municipal corporation shall release:

(1) liens filed with the county recorder after the recorded date of conveyance of the property; and

(2) delinquent fees incurred by the seller;

upon receipt of a written demand from the purchaser or a representative of the title insurance company or the title insurance company's agent that issued a title insurance policy to the purchaser. The demand must state that the delinquent fees were not incurred by the purchaser as a user, lessee, or previous owner and that the purchaser has not been paid by the seller for the delinquent fees.

(i) The county auditor shall remove the fees, penalties, and service charges that were not recorded before a recorded conveyance to a subsequent owner upon receipt of a copy of the written demand under subsection (h).

SECTION 6. IC 36-1-6-4, AS AMENDED BY P.L.194-2007, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4. (a) A municipal corporation may bring a civil action as provided in IC 34-28-5-1 if a person:

(1) violates an ordinance regulating or prohibiting a condition or use of property; or

(2) engages in conduct without a license or permit if an ordinance requires a license or permit to engage in the conduct.

(b) A court may take any appropriate action in a proceeding under this section, including any of the following actions:

(1) Issuing an injunction.

(2) Entering a judgment.

(3) Issuing a continuous enforcement order (as defined in IC 36-7-9-2).

(4) Ordering the suspension or revocation of a license.

~~(5)~~ (5) Ordering an inspection.

~~(6)~~ (6) Ordering a property vacated.

(7) Ordering a structure demolished.

~~(8)~~ (8) Imposing a penalty not to exceed an amount set forth in IC 36-1-3-8(a)(10).

~~(9)~~ (9) Imposing court costs and fees in accordance with IC 33-37-4-2 and IC 33-37-5.

~~(10)~~ (10) Ordering a defendant to take appropriate action to bring a property into compliance with an ordinance within a specified time.

~~(11)~~ (11) Ordering a municipal corporation to take appropriate action to bring a property into compliance with an ordinance in

accordance with IC 36-1-6-2.

SECTION 7. IC 36-7-9-2, AS AMENDED BY P.L.169-2006, SECTION 59, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 2. As used in this chapter:

"Community organization" means a citizen's group, neighborhood association, neighborhood development corporation, or similar organization that:

- (1) has specific geographic boundaries defined in its bylaws or articles of incorporation and contains at least forty (40) households within those boundaries;
- (2) is a nonprofit corporation that is representative of at least twenty-five (25) households or twenty percent (20%) of the households in the community, whichever is less;
- (3) is operated primarily for the promotion of social welfare and general neighborhood improvement and enhancement;
- (4) has been incorporated for at least two (2) years; and
- (5) is exempt from taxation under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code.

"Continuous enforcement order" means an order that:

- (1) is issued for compliance or abatement and that remains in full force and effect on a property without further requirements to seek additional:**
 - (i) compliance and abatement authority; or**
 - (ii) orders for the same or similar violations;**
- (2) authorizes specific ongoing compliance and enforcement activities if a property requires reinspection or additional periodic abatement;**
- (3) can be enforced, including assessment of fees and costs, without the need for additional notice or hearing; and**
- (4) authorizes the enforcement authority to assess and collect ongoing costs for continuous enforcement order activities from any party that is subject to the enforcement authority's order.**

"Department" refers to the executive department authorized by ordinance to administer this chapter. In a consolidated city, this department is the department of metropolitan development, subject to IC 36-3-4-23.

"Enforcement authority" refers to the chief administrative officer of the department, except in a consolidated city. In a consolidated city, the division of development services is the enforcement authority, subject to IC 36-3-4-23.

"Hearing authority" refers to a person or persons designated as such by the executive of a city or county, or by the legislative body of a town. However, in a consolidated city, the director of the department or a person designated by the director is the hearing authority. An employee of the enforcement authority may not be designated as the hearing authority.

"Known or recorded fee interest, life estate interest, or equitable interest of a contract purchaser" means any fee interest, life estate interest, or equitable interest of a contract purchaser held by a person whose identity and address may be determined from:

- (1) an instrument recorded in the recorder's office of the county where the unsafe premises is located;
- (2) written information or actual knowledge received by the department (or, in the case of a consolidated city, the enforcement authority); or
- (3) a review of department (or, in the case of a consolidated city, the enforcement authority) records that is sufficient to identify information that is reasonably ascertainable.

"Known or recorded substantial property interest" means any right in real property, including a fee interest, a life estate interest, a future interest, a mortgage interest, or an equitable interest of a contract purchaser, that:

- (1) may be affected in a substantial way by actions authorized by this chapter; and
- (2) is held by a person whose identity and address may be determined from:
 - (A) an instrument recorded in the recorder's office of the county where the unsafe premises is located;
 - (B) written information or actual knowledge received by the department (or, in the case of a consolidated city, the enforcement authority); or
 - (C) a review of department (or, in the case of a consolidated city, the enforcement authority) records that is sufficient to identify information that is reasonably ascertainable.

"Substantial property interest" means any right in real property that may be affected in a substantial way by actions authorized by this chapter, including a fee interest, a life estate interest, a future interest, a mortgage interest, or an equitable interest of a contract purchaser.

SECTION 8. IC 36-7-9-5, AS AMENDED BY P.L.88-2006, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 5. (a) The enforcement authority may issue an order requiring action relative to any unsafe premises, including:

- (1) vacating of an unsafe building;
- (2) sealing an unsafe building against intrusion by unauthorized persons, in accordance with a uniform standard established by ordinance;
- (3) extermination of vermin in and about the unsafe premises;
- (4) removal of trash, debris, fire hazardous material, or a public health hazard in and about the unsafe premises;
- (5) repair or rehabilitation of an unsafe building to bring it into compliance with standards for building condition or maintenance required for human habitation, occupancy, or use by a statute, a rule adopted under IC 4-22-2, or an ordinance;
- (6) **demolition and** removal of part of an unsafe building;
- (7) **demolition and** removal of an unsafe building ~~and if~~:
 - (A) **the general condition of the building warrants removal; or**
 - (B) **the building continues to require reinspection and additional abatement action after an initial abatement action was taken pursuant to notice and an order; and**
- (8) requiring, for an unsafe building that will be sealed for a

1 period of more than ninety (90) days:

2 (A) sealing against intrusion by unauthorized persons and the
3 effects of weather;

4 (B) exterior improvements to make the building compatible in
5 appearance with other buildings in the area; and

6 (C) continuing maintenance and upkeep of the building and
7 premises;

8 in accordance with standards established by ordinance.

9 Notice of the order must be given under section 25 of this chapter. The
10 ordered action must be reasonably related to the condition of the unsafe
11 premises and the nature and use of nearby properties. The order
12 supersedes any permit relating to building or land use, whether that
13 permit is obtained before or after the order is issued.

14 (b) The order must contain:

15 (1) the name of the person to whom the order is issued;

16 (2) the legal description or address of the unsafe premises that are
17 the subject of the order;

18 (3) the action that the order requires;

19 (4) the period of time in which the action is required to be
20 accomplished, measured from the time when the notice of the
21 order is given;

22 (5) if a hearing is required, a statement indicating the exact time
23 and place of the hearing, and stating that person to whom the
24 order was issued is entitled to appear at the hearing with or
25 without legal counsel, present evidence, cross-examine opposing
26 witnesses, and present arguments;

27 (6) if a hearing is not required, a statement that an order under
28 subsection (a)(2), (a)(3), (a)(4), or (a)(5) becomes final ten (10)
29 days after notice is given, unless a hearing is requested in writing
30 by a person holding a fee interest, life estate interest, or equitable
31 interest of a contract purchaser in the unsafe premises, and the
32 request is delivered to the enforcement authority before the end
33 of the ten (10) day period;

34 (7) a statement briefly indicating what action can be taken by the
35 enforcement authority if the order is not complied with;

36 (8) a statement indicating the obligation created by section 27 of
37 this chapter relating to notification of subsequent interest holders
38 and the enforcement authority; and

39 (9) the name, address, and telephone number of the enforcement
40 authority.

41 (c) The order must allow a sufficient time, of at least ten (10) days,
42 but not more than sixty (60) days, from the time when notice of the
43 order is given, to accomplish the required action. If the order allows
44 more than thirty (30) days to accomplish the action, the order may
45 require that a substantial beginning be made in accomplishing the
46 action within thirty (30) days.

47 (d) The order expires two (2) years from the day the notice of the
48 order is given, unless one (1) or more of the following events occurs
49 within that two (2) year period:

50 (1) A complaint requesting judicial review is filed under section
51 9 of this chapter.

(2) A contract for action required by the order is let at public bid under section 11 of this chapter.

(3) A civil action is filed under section 17 of this chapter.

SECTION 9. IC 36-7-9-7, AS AMENDED BY P.L.169-2006, SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. (a) A hearing must be held relative to each order of the enforcement authority, except for an order issued under section 5(a)(2), 5(a)(3), 5(a)(4), or 5(a)(5) of this chapter. An order issued under section 5(a)(2), 5(a)(3), 5(a)(4), or 5(a)(5) of this chapter becomes final ten (10) days after notice is given, unless a hearing is requested before the ten (10) day period ends by a person holding a fee interest, life estate interest, mortgage interest, or equitable interest of a contract purchaser in the unsafe premises. The hearing shall be conducted by the hearing authority.

(b) The hearing shall be held on a business day no earlier than ten (10) days after notice of the order is given. The hearing authority may, however, take action at the hearing, or before the hearing if a written request is received by the enforcement authority not later than five (5) days after notice is given, to continue the hearing to a business day not later than fourteen (14) days after the hearing date shown on the order. Unless the hearing authority takes action to have the continued hearing held on a definite, specified date, notice of the continued hearing must be given to the person to whom the order was issued at least five (5) days before the continued hearing date, in the manner prescribed by section 25 of this chapter. If the order being considered at the continued hearing was served by publication, it is sufficient to give notice of the continued hearing by publication unless the enforcement authority has received information in writing that enables it to make service under section 25 of this chapter by a method other than publication.

(c) The person to whom the order was issued, any person having a substantial property interest in the unsafe premises that are the subject of the order, or any other person with an interest in the proceedings may appear in person or by counsel at the hearing. Each person appearing at the hearing is entitled to present evidence, cross-examine opposing witnesses, and present arguments.

(d) At the conclusion of any hearing at which a continuance is not granted, the hearing authority may make findings and take action to:

(1) affirm the order;

(2) rescind the order; or

(3) modify the order, but unless the person to whom the order was issued, or counsel for that person, is present at the hearing, the hearing authority may modify the order in only a manner that makes its terms less stringent.

(e) In addition to affirming the order, in those cases in which the hearing authority finds that there has been a willful failure to comply with the order, the hearing authority may impose a civil penalty in an amount not to exceed five thousand dollars (\$5,000). The effective date of the civil penalty may be postponed for a reasonable period, after which the hearing authority may order the civil penalty reduced or stricken if the hearing authority is satisfied that all work necessary to

fully comply with the order has been done. For purposes of an appeal under section 8 of this chapter or enforcement of an order under section 17 of this chapter, action of the hearing authority is considered final upon the affirmation of the order, even though the hearing authority may retain jurisdiction for the ultimate determination related to the civil penalty. In the hearing authority's exercise of continuing jurisdiction, the hearing authority may, in addition to reducing or striking the civil penalty, impose one (1) or more additional civil penalties in an amount not to exceed five thousand dollars (\$5,000) per civil penalty. An additional civil penalty may be imposed if the hearing authority finds that:

(1) significant work on the premises to comply with the affirmed order has not been accomplished; and

(2) the premises have a negative effect on property values or the quality of life of the surrounding area or the premises require the provision of services by local government in excess of the services required by ordinary properties.

(f) If, at a hearing, a person to whom an order has been issued requests an additional period to accomplish action required by the order, and shows good cause for this request to be granted, the hearing authority may grant the request. However, as a condition for allowing the additional period, the hearing authority may require that the person post a performance bond to be forfeited if the action required by the order is not completed within the additional period.

(g) If an order is affirmed or modified, the hearing authority shall issue a continuous enforcement order (as defined in section 2 of this chapter).

~~(g)~~ **(h)** The board or commission having control over the department shall, at a public hearing, after having given notice of the time and place of the hearing by publication in accordance with IC 5-3-1, adopt a schedule setting forth the maximum amount of performance bonds applicable to various types of ordered action. The hearing authority shall use this schedule to fix the amount of the performance bond required under subsection (f).

~~(h)~~ **(i)** The record of the findings made and action taken by the hearing authority at the hearing shall be available to the public upon request. However, neither the enforcement authority nor the hearing authority is required to give any person notice of the findings and action.

~~(i)~~ **(j)** If a civil penalty under subsection (e) is unpaid for more than fifteen (15) days after payment of the civil penalty is due, the civil penalty may be collected from any person against whom the hearing officer assessed the civil penalty or fine. A civil penalty or fine may be collected under this subsection in the same manner as costs under section 13 or 13.5 of this chapter. The amount of the civil penalty or fine that is collected shall be deposited in the unsafe building fund.

SECTION 10. IC 36-7-9-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 17. (a) The department, acting through its enforcement authority, a person designated by the enforcement authority, or a community organization may bring a civil action regarding unsafe premises in the circuit, superior, or municipal

1 court of the county. The department is not liable for the costs of such
 2 an action. The court may grant one (1) or more of the kinds of relief
 3 authorized by sections 18 through 22 of this chapter.

4 (b) A civil action may not be initiated under this section before the
 5 final date of an order or an extension of an order under section 5(c) of
 6 this chapter requiring:

7 (1) the completion; or

8 (2) a substantial beginning toward accomplishing the completion;
 9 of the required remedial action.

10 (c) A community organization may not initiate a civil action under
 11 this section if:

12 (1) the enforcement authority or a person designated by the
 13 enforcement authority has filed a civil action under this section
 14 regarding the unsafe premises; or

15 (2) the enforcement authority has issued a final order that the
 16 required remedial action has been satisfactorily completed.

17 (d) A community organization may not initiate a civil action under
 18 this section if the real property that is the subject of the civil action is
 19 located outside the specific geographic boundaries of the area defined
 20 in the bylaws or articles of incorporation of the community
 21 organization.

22 (e) At least sixty (60) days before commencing a civil action under
 23 this section, a community organization must issue a notice by certified
 24 mail, return receipt requested, that:

25 (1) specifies:

26 (A) the nature of the alleged nuisance;

27 (B) the date the nuisance was first discovered;

28 (C) the location on the property where the nuisance is
 29 allegedly occurring;

30 (D) the intent of the community organization to bring a civil
 31 action under this section; and

32 (E) the relief sought in the action; and

33 (2) is provided to:

34 (A) the owner of record of the premises;

35 (B) tenants located on the premises;

36 (C) the enforcement authority; and

37 (D) any person that possesses an interest of record.

38 (f) In any action filed by a community organization under this
 39 section, a court may award reasonable attorney's fees, court costs, and
 40 other reasonable expenses of litigation to the prevailing party.

41 **(g) If a second or subsequent civil judgment is entered under**
 42 **this section:**

43 **(1) against an owner of a known or recorded fee interest, life**
 44 **estate, or equitable interest as a contract purchaser of**
 45 **property; and**

46 **(2) during any two (2) year period;**

47 **a court may order the owner to pay treble damages based on the**
 48 **costs of the ordered action. The second or subsequent civil**
 49 **judgment may relate to the same property or a different property**
 50 **held by the owner.**

51 SECTION 11. IC 36-7-11.1-3 IS AMENDED TO READ AS

1 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. (a) The executive
 2 **and the legislative body** of the consolidated city shall appoint a
 3 commission of nine (9) members to be known as the "_____
 4 Historic Preservation Commission" (including the name of the city). ~~At~~
 5 ~~least one (1) of the members must be a resident of an historic area in~~
 6 ~~the city. Three (3) of the members may be selected from lists of names~~
 7 ~~submitted by the Historic Landmarks Foundation of Indiana and the~~
 8 ~~historical society of the county. One (1) member may be selected from~~
 9 ~~a list of names submitted by the local chapter of the American Institute~~
 10 ~~of Architects. One (1) member may be a member of the metropolitan~~
 11 ~~development commission.~~

12 **(b) The following apply to the appointment of members:**

13 **(1) The executive shall appoint five (5) members of the**
 14 **commission. The executive:**

15 **(A) may select two (2) members from lists of names**
 16 **submitted by the Historic Landmarks Foundation of**
 17 **Indiana and the historical society of the consolidated city's**
 18 **county;**

19 **(B) may select one (1) member who is a member of the**
 20 **metropolitan development commission; and**

21 **(C) may select one (1) member from a list of names**
 22 **submitted by the local chapter of the American Institute of**
 23 **Architects.**

24 **(2) The legislative body shall appoint four (4) members of the**
 25 **commission. The legislative body:**

26 **(A) shall select one (1) member who is a resident of a**
 27 **historic area of the consolidated city;**

28 **(B) may select one (1) member from lists of names**
 29 **submitted by the Historic Landmarks Foundation of**
 30 **Indiana and the historical society of the consolidated city's**
 31 **county; and**

32 **(C) may select one (1) member from a list of names**
 33 **submitted by the local chapter of the American Institute of**
 34 **Architects.**

35 ~~(b)~~ **(c)** Each appointment to the commission is for a term of four (4)
 36 years, commencing on January 1 following the appointment, and until
 37 a successor is appointed and is qualified. A member is eligible for
 38 reappointment.

39 ~~(c)~~ **(d)** If a vacancy occurs in the commission during any term, a
 40 successor shall be appointed by the ~~executive~~ **appointing authority** to
 41 serve for the remainder of the vacated term. Any member of the
 42 commission may be removed for cause by the ~~executive.~~ **appointing**
 43 **authority.** All members must be residents of the county.

44 ~~(d)~~ **(e)** The members receive no salary, but are entitled to
 45 reimbursement for any expenses necessarily incurred in the
 46 performance of their duties.

47 ~~(e)~~ **(f)** At its first scheduled meeting each year, the commission shall
 48 hold a meeting for the purpose of organization. The commission shall
 49 elect from its membership a president, vice president, secretary, and
 50 treasurer who shall perform the duties pertaining to those offices. The
 51 officers serve from the date of their election until their successors are

1 elected and qualified. The commission may adopt bylaws and rules for
 2 the proper conduct of its proceedings, the carrying out of its duties, and
 3 the safeguarding of its funds and property. A majority of the members
 4 of the commission constitute a quorum, and the concurrence of a
 5 majority of the commission is necessary to authorize any action.

6 ~~(f)~~ (g) A member of the commission is not disqualified from hearing
 7 and voting upon any matter coming before the commission because that
 8 member owns or occupies property within or adjacent to a historic area,
 9 unless that property is the subject property or located within two
 10 hundred (200) feet of it.

11 ~~(g)~~ (h) A member of the commission who is absent from three (3)
 12 consecutive regular meetings of the commission shall be treated as if
 13 ~~he the member~~ had resigned, unless the ~~executive~~ **appointing**
 14 **authority** reaffirms the member's appointment. However, the counting
 15 of such a member toward a quorum requirement or the voting by such
 16 a member does not invalidate any official action taken by the
 17 commission before the time that the minutes of the commission reflect
 18 that the member has resigned.

19 SECTION 12. IC 36-7-11.1-3.1 IS ADDED TO THE INDIANA
 20 CODE AS A NEW SECTION TO READ AS FOLLOWS
 21 [EFFECTIVE JULY 1, 2009]: **Sec. 3.1. (a) A member appointed to**
 22 **the commission under section 3 of this chapter before July 1, 2009,**
 23 **shall continue to serve as a member of the commission after June**
 24 **30, 2009, until:**

- 25 (1) the end of the term for which the member was appointed;
- 26 or
- 27 (2) the executive removes the member for cause.

28 **If the executive removes the member for cause, the executive shall**
 29 **appoint a successor to serve for the remainder of the vacated term.**

30 **(b) This section expires July 1, 2014.**

31 SECTION 13. IC 36-7-14-39, AS AMENDED BY P.L.146-2008,
 32 SECTION 738, IS AMENDED TO READ AS FOLLOWS
 33 [EFFECTIVE JULY 1, 2009]: Sec. 39. (a) As used in this section:

34 "Allocation area" means that part of a redevelopment project area
 35 to which an allocation provision of a declaratory resolution adopted
 36 under section 15 of this chapter refers for purposes of distribution and
 37 allocation of property taxes.

38 "Base assessed value" means the following:

- 39 (1) If an allocation provision is adopted after June 30, 1995, in a
 40 declaratory resolution or an amendment to a declaratory
 41 resolution establishing an economic development area:

42 (A) the net assessed value of all the property as finally
 43 determined for the assessment date immediately preceding the
 44 effective date of the allocation provision of the declaratory
 45 resolution, as adjusted under subsection (h); plus

46 (B) to the extent that it is not included in clause (A), the net
 47 assessed value of property that is assessed as residential
 48 property under the rules of the department of local government
 49 finance, as finally determined for any assessment date after the
 50 effective date of the allocation provision.

- 51 (2) If an allocation provision is adopted after June 30, 1997, in a

1 declaratory resolution or an amendment to a declaratory
2 resolution establishing a redevelopment project area:

3 (A) the net assessed value of all the property as finally
4 determined for the assessment date immediately preceding the
5 effective date of the allocation provision of the declaratory
6 resolution, as adjusted under subsection (h); plus

7 (B) to the extent that it is not included in clause (A), the net
8 assessed value of property that is assessed as residential
9 property under the rules of the department of local government
10 finance, as finally determined for any assessment date after the
11 effective date of the allocation provision.

12 (3) If:

13 (A) an allocation provision adopted before June 30, 1995, in
14 a declaratory resolution or an amendment to a declaratory
15 resolution establishing a redevelopment project area expires
16 after June 30, 1997; and

17 (B) after June 30, 1997, a new allocation provision is included
18 in an amendment to the declaratory resolution;

19 the net assessed value of all the property as finally determined for
20 the assessment date immediately preceding the effective date of
21 the allocation provision adopted after June 30, 1997, as adjusted
22 under subsection (h).

23 (4) Except as provided in subdivision (5), for all other allocation
24 areas, the net assessed value of all the property as finally
25 determined for the assessment date immediately preceding the
26 effective date of the allocation provision of the declaratory
27 resolution, as adjusted under subsection (h).

28 (5) If an allocation area established in an economic development
29 area before July 1, 1995, is expanded after June 30, 1995, the
30 definition in subdivision (1) applies to the expanded part of the
31 area added after June 30, 1995.

32 (6) If an allocation area established in a redevelopment project
33 area before July 1, 1997, is expanded after June 30, 1997, the
34 definition in subdivision (2) applies to the expanded part of the
35 area added after June 30, 1997.

36 Except as provided in section 39.3 of this chapter, "property taxes"
37 means taxes imposed under IC 6-1.1 on real property. However, upon
38 approval by a resolution of the redevelopment commission adopted
39 before June 1, 1987, "property taxes" also includes taxes imposed
40 under IC 6-1.1 on depreciable personal property. If a redevelopment
41 commission adopted before June 1, 1987, a resolution to include within
42 the definition of property taxes taxes imposed under IC 6-1.1 on
43 depreciable personal property that has a useful life in excess of eight
44 (8) years, the commission may by resolution determine the percentage
45 of taxes imposed under IC 6-1.1 on all depreciable personal property
46 that will be included within the definition of property taxes. However,
47 the percentage included must not exceed twenty-five percent (25%) of
48 the taxes imposed under IC 6-1.1 on all depreciable personal property.

49 (b) A declaratory resolution adopted under section 15 of this chapter
50 on or before the allocation deadline determined under subsection (i)
51 may include a provision with respect to the allocation and distribution

of property taxes for the purposes and in the manner provided in this section. A declaratory resolution previously adopted may include an allocation provision by the amendment of that declaratory resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.**
- (ii) Make any reimbursements required under this subdivision.**
- (iii) Pay any expenses required under this subdivision.**
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.**

The allocation fund may not be used for operating expenses of the commission.

(3) Except as provided in subsection (g), before July 15 of each year the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

- (i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the

- 1 respective taxing units in the manner prescribed in
 2 subdivision (1); or
 3 (ii) state that the commission has determined that there is no
 4 excess assessed value that may be allocated to the respective
 5 taxing units in the manner prescribed in subdivision (1).
 6 The county auditor shall allocate to the respective taxing units
 7 the amount, if any, of excess assessed value determined by the
 8 commission. The commission may not authorize an allocation
 9 of assessed value to the respective taxing units under this
 10 subdivision if to do so would endanger the interests of the
 11 holders of bonds described in subdivision (2) or lessors under
 12 section 25.3 of this chapter.
- 13 (c) For the purpose of allocating taxes levied by or for any taxing
 14 unit or units, the assessed value of taxable property in a territory in the
 15 allocation area that is annexed by any taxing unit after the effective
 16 date of the allocation provision of the declaratory resolution is the
 17 lesser of:
 18 (1) the assessed value of the property for the assessment date with
 19 respect to which the allocation and distribution is made; or
 20 (2) the base assessed value.
- 21 (d) Property tax proceeds allocable to the redevelopment district
 22 under subsection (b)(2) may, subject to subsection (b)(3), be
 23 irrevocably pledged by the redevelopment district for payment as set
 24 forth in subsection (b)(2).
- 25 (e) Notwithstanding any other law, each assessor shall, upon
 26 petition of the redevelopment commission, reassess the taxable
 27 property situated upon or in, or added to, the allocation area, effective
 28 on the next assessment date after the petition.
- 29 (f) Notwithstanding any other law, the assessed value of all taxable
 30 property in the allocation area, for purposes of tax limitation, property
 31 tax replacement, and formulation of the budget, tax rate, and tax levy
 32 for each political subdivision in which the property is located is the
 33 lesser of:
 34 (1) the assessed value of the property as valued without regard to
 35 this section; or
 36 (2) the base assessed value.
- 37 (g) If any part of the allocation area is located in an enterprise zone
 38 created under IC 5-28-15, the unit that designated the allocation area
 39 shall create funds as specified in this subsection. A unit that has
 40 obligations, bonds, or leases payable from allocated tax proceeds under
 41 subsection (b)(2) shall establish an allocation fund for the purposes
 42 specified in subsection (b)(2) and a special zone fund. Such a unit
 43 shall, until the end of the enterprise zone phase out period, deposit each
 44 year in the special zone fund any amount in the allocation fund derived
 45 from property tax proceeds in excess of those described in subsection
 46 (b)(1) from property located in the enterprise zone that exceeds the
 47 amount sufficient for the purposes specified in subsection (b)(2) for the
 48 year. The amount sufficient for purposes specified in subsection (b)(2)
 49 for the year shall be determined based on the pro rata portion of such
 50 current property tax proceeds from the part of the enterprise zone that
 51 is within the allocation area as compared to all such current property

tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(2) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(2), except that where reference is made in subsection (b)(2) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(2) than would otherwise have been received if the general reassessment or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 14. IC 36-7-15.1-26, AS AMENDED BY P.L.146-2008,

SECTION 755, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2009]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(2) If an allocation provision is adopted after June 30, 1997, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

(3) If:

(A) an allocation provision adopted before June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing a redevelopment project area expires after June 30, 1997; and

(B) after June 30, 1997, a new allocation provision is included in an amendment to the declaratory resolution;

the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision adopted after June 30, 1997, as adjusted under subsection (h).

(4) Except as provided in subdivision (5), for all other allocation areas, the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h).

(5) If an allocation area established in an economic development area before July 1, 1995, is expanded after June 30, 1995, the definition in subdivision (1) applies to the expanded part of the area added after June 30, 1995.

(6) If an allocation area established in a redevelopment project area before July 1, 1997, is expanded after June 30, 1997, the definition in subdivision (2) applies to the expanded part of the area added after June 30, 1997.

Except as provided in section 26.2 of this chapter, "property taxes" means taxes imposed under IC 6-1.1 on real property. However, upon approval by a resolution of the redevelopment commission adopted before June 1, 1987, "property taxes" also includes taxes imposed under IC 6-1.1 on depreciable personal property. If a redevelopment commission adopted before June 1, 1987, a resolution to include within the definition of property taxes taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the commission may by resolution determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of property taxes. However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property.

(b) A resolution adopted under section 8 of this chapter on or before the allocation deadline determined under subsection (i) may include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted may include an allocation provision by the amendment of that resolution on or before the allocation deadline determined under subsection (i) in accordance with the procedures required for its original adoption. A declaratory resolution or an amendment that establishes an allocation provision after June 30, 1995, must specify an expiration date for the allocation provision. For an allocation area established before July 1, 2008, the expiration date may not be more than thirty (30) years after the date on which the allocation provision is established. For an allocation area established after June 30, 2008, the expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established. However, with respect to bonds or other obligations that were issued before July 1, 2008, if any of the bonds or other obligations that were scheduled when issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made;

or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of

the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into a special fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds that are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the consolidated city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(J) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that

1 established the redevelopment commission. However,
 2 property tax proceeds may be used under this clause to pay
 3 the costs of carrying out an eligible efficiency project only
 4 if those property tax proceeds exceed the amount necessary
 5 to do the following:

6 (i) Make, when due, any payments required under
 7 clauses (A) through (I), including any payments of
 8 principal and interest on bonds and other obligations
 9 payable under this subdivision, any payments of
 10 premiums under this subdivision on the redemption
 11 before maturity of bonds, and any payments on leases
 12 payable under this subdivision.

13 (ii) Make any reimbursements required under this
 14 subdivision.

15 (iii) Pay any expenses required under this subdivision.

16 (iv) Establish, augment, or restore any debt service
 17 reserve under this subdivision.

18 The special fund may not be used for operating expenses of the
 19 commission.

20 (3) Before July 15 of each year, the commission shall do the
 21 following:

22 (A) Determine the amount, if any, by which the assessed value
 23 of the taxable property in the allocation area for the most
 24 recent assessment date minus the base assessed value, when
 25 multiplied by the estimated tax rate of the allocation area, will
 26 exceed the amount of assessed value needed to provide the
 27 property taxes necessary to make, when due, principal and
 28 interest payments on bonds described in subdivision (2) plus
 29 the amount necessary for other purposes described in
 30 subdivision (2) and subsection (g).

31 (B) Provide a written notice to the county auditor, the
 32 legislative body of the consolidated city, and the officers who
 33 are authorized to fix budgets, tax rates, and tax levies under
 34 IC 6-1.1-17-5 for each of the other taxing units that is wholly
 35 or partly located within the allocation area. The notice must:

36 (i) state the amount, if any, of excess assessed value that the
 37 commission has determined may be allocated to the
 38 respective taxing units in the manner prescribed in
 39 subdivision (1); or

40 (ii) state that the commission has determined that there is no
 41 excess assessed value that may be allocated to the respective
 42 taxing units in the manner prescribed in subdivision (1).

43 The county auditor shall allocate to the respective taxing units
 44 the amount, if any, of excess assessed value determined by the
 45 commission. The commission may not authorize an allocation
 46 to the respective taxing units under this subdivision if to do so
 47 would endanger the interests of the holders of bonds described
 48 in subdivision (2).

49 (c) For the purpose of allocating taxes levied by or for any taxing
 50 unit or units, the assessed value of taxable property in a territory in the
 51 allocation area that is annexed by any taxing unit after the effective

1 date of the allocation provision of the resolution is the lesser of:

- 2 (1) the assessed value of the property for the assessment date with
- 3 respect to which the allocation and distribution is made; or
- 4 (2) the base assessed value.

5 (d) Property tax proceeds allocable to the redevelopment district
6 under subsection (b)(2) may, subject to subsection (b)(3), be
7 irrevocably pledged by the redevelopment district for payment as set
8 forth in subsection (b)(2).

9 (e) Notwithstanding any other law, each assessor shall, upon
10 petition of the commission, reassess the taxable property situated upon
11 or in, or added to, the allocation area, effective on the next assessment
12 date after the petition.

13 (f) Notwithstanding any other law, the assessed value of all taxable
14 property in the allocation area, for purposes of tax limitation, property
15 tax replacement, and formulation of the budget, tax rate, and tax levy
16 for each political subdivision in which the property is located is the
17 lesser of:

- 18 (1) the assessed value of the property as valued without regard to
- 19 this section; or
- 20 (2) the base assessed value.

21 (g) If any part of the allocation area is located in an enterprise zone
22 created under IC 5-28-15, the unit that designated the allocation area
23 shall create funds as specified in this subsection. A unit that has
24 obligations, bonds, or leases payable from allocated tax proceeds under
25 subsection (b)(2) shall establish an allocation fund for the purposes
26 specified in subsection (b)(2) and a special zone fund. Such a unit
27 shall, until the end of the enterprise zone phase out period, deposit each
28 year in the special zone fund the amount in the allocation fund derived
29 from property tax proceeds in excess of those described in subsection
30 (b)(1) from property located in the enterprise zone that exceeds the
31 amount sufficient for the purposes specified in subsection (b)(2) for the
32 year. A unit that has no obligations, bonds, or leases payable from
33 allocated tax proceeds under subsection (b)(2) shall establish a special
34 zone fund and deposit all the property tax proceeds in excess of those
35 described in subsection (b)(1) in the fund derived from property tax
36 proceeds in excess of those described in subsection (b)(1) from
37 property located in the enterprise zone. The unit that creates the special
38 zone fund shall use the fund, based on the recommendations of the
39 urban enterprise association, for one (1) or more of the following
40 purposes:

- 41 (1) To pay for programs in job training, job enrichment, and basic
- 42 skill development designed to benefit residents and employers in
- 43 the enterprise zone. The programs must reserve at least one-half
- 44 (1/2) of the enrollment in any session for residents of the
- 45 enterprise zone.
- 46 (2) To make loans and grants for the purpose of stimulating
- 47 business activity in the enterprise zone or providing employment
- 48 for enterprise zone residents in the enterprise zone. These loans
- 49 and grants may be made to the following:
- 50 (A) Businesses operating in the enterprise zone.
- 51 (B) Businesses that will move their operations to the enterprise

1 zone if such a loan or grant is made.

2 (3) To provide funds to carry out other purposes specified in
3 subsection (b)(2). However, where reference is made in
4 subsection (b)(2) to the allocation area, the reference refers for
5 purposes of payments from the special zone fund only to that part
6 of the allocation area that is also located in the enterprise zone.

7 (h) The state board of accounts and department of local government
8 finance shall make the rules and prescribe the forms and procedures
9 that they consider expedient for the implementation of this chapter.
10 After each general reassessment under IC 6-1.1-4, the department of
11 local government finance shall adjust the base assessed value one (1)
12 time to neutralize any effect of the general reassessment on the
13 property tax proceeds allocated to the redevelopment district under this
14 section. After each annual adjustment under IC 6-1.1-4-4.5, the
15 department of local government finance shall adjust the base assessed
16 value to neutralize any effect of the annual adjustment on the property
17 tax proceeds allocated to the redevelopment district under this section.
18 However, the adjustments under this subsection may not include the
19 effect of property tax abatements under IC 6-1.1-12.1, and these
20 adjustments may not produce less property tax proceeds allocable to
21 the redevelopment district under subsection (b)(2) than would
22 otherwise have been received if the general reassessment or annual
23 adjustment had not occurred. The department of local government
24 finance may prescribe procedures for county and township officials to
25 follow to assist the department in making the adjustments.

26 (i) The allocation deadline referred to in subsection (b) is
27 determined in the following manner:

28 (1) The initial allocation deadline is December 31, 2011.

29 (2) Subject to subdivision (3), the initial allocation deadline and
30 subsequent allocation deadlines are automatically extended in
31 increments of five (5) years, so that allocation deadlines
32 subsequent to the initial allocation deadline fall on December 31,
33 2016, and December 31 of each fifth year thereafter.

34 (3) At least one (1) year before the date of an allocation deadline
35 determined under subdivision (2), the general assembly may enact
36 a law that:

37 (A) terminates the automatic extension of allocation deadlines
38 under subdivision (2); and

39 (B) specifically designates a particular date as the final
40 allocation deadline.

41 SECTION 15. IC 36-7-36 IS ADDED TO THE INDIANA CODE
42 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
43 JULY 1, 2009]:

44 **Chapter 36. Abatement of Vacant Structures and Abandoned**
45 **Structures**

46 **Sec. 1. As used in this chapter, "abandoned structure" means**
47 **any of the following:**

48 (1) **Commercial real property or a vacant structure on**
49 **commercial real property that is used or was previously used**
50 **for industrial or commercial purposes, and:**

51 (A) **that the owner of the property or structure has**

declared in writing to be abandoned; or
 (B) for which the owner of the property or structure has
 been given a written order by an enforcement authority to
 rehabilitate or demolish, and the owner:

(i) has not applied for a permit to rehabilitate or
 demolish the property or structure; or

(ii) applied for and was granted a permit, but
 rehabilitation or demolition work has not commenced on
 the property or structure within thirty (30) days after
 the date the permit was granted.

(2) Real property that has not been used for a legal purpose
 for at least six (6) consecutive months and:

(A) in the judgment of an enforcement authority, is in need
 of completion, rehabilitation, or repair, and completion,
 rehabilitation, or repair work has not taken place on the
 property for at least six (6) consecutive months;

(B) on which at least one (1) installment of property taxes
 is delinquent; or

(C) that has been declared a public nuisance by a hearing
 authority.

(3) Real property that has been declared in writing to be
 abandoned by the owner, including an estate or a trust that
 possesses the property.

(4) Vacant real property on which a municipal lien has
 remained unpaid for at least one (1) year.

Sec. 2. As used in this chapter, "enforcement authority" has the
 meaning set forth in IC 36-7-9-2.

Sec. 3. As used in this chapter, "hearing authority" has the
 meaning set forth in IC 36-7-9-2.

Sec. 4. As used in this chapter, "owner" means a person that
 holds a substantial interest in property in the form of a known or
 recorded fee interest, life estate, or equitable interest as a contract
 purchaser.

Sec. 5. As used in this chapter, "vacant real property" means
 real property that is not being occupied by an owner, tenant, or
 others authorized by the owner.

Sec. 6. As used in this chapter, "vacant structure" means a
 structure or building that is not being occupied by an owner,
 tenant, or others authorized by the owner.

Sec. 7. The legislative body of a municipality or county:

(1) may adopt this chapter by ordinance; and

(2) if the legislative body adopts this chapter by ordinance,
 shall adopt rules and procedures for its enforcement.

Sec. 8. (a) An enforcement authority may administer and
 enforce this chapter in conjunction with any enforcement or civil
 action under IC 32-30-6, IC 32-30-7, IC 32-30-8, IC 36-1-6, or
 IC 36-7-9.

(b) Under all enforcement and civil actions designated under
 subsection (a), the enforcement authority is entitled to recover
 court costs and attorney's fees.

Sec. 9. If an enforcement authority determines that a vacant

1 structure or an abandoned structure exists, an abatement notice
2 and order may be sent to the owner that directs the owner to:

3 (1) abate the vacant structure or abandoned structure by
4 cleaning and securing or boarding up the vacant structure or
5 abandoned structure and the premises upon which it is
6 located; and

7 (2) erect fences, barriers, berms, or other suitable means to
8 discourage:

9 (A) access to the vacant structure or abandoned structure;
10 and

11 (B) illegal dumping or littering on the premises upon which
12 the vacant structure or abandoned structure exists.

13 **Sec. 10. (a)** An owner of a property that remains a vacant
14 structure or an abandoned structure for at least ninety (90)
15 consecutive calendar days may be liable for a civil penalty in the
16 amount of five hundred dollars (\$500) per vacant structure or
17 abandoned structure, not to exceed five thousand dollars (\$5,000)
18 per structure per year, unless:

19 (1) documentation has been filed and approved by the
20 enforcement authority that indicates the owner's intent to
21 eliminate the vacant structure or abandoned structure status
22 of the property;

23 (2) the owner is current on all property taxes and special
24 assessments; and

25 (3) at least one (1) of the following applies:

26 (A) The structure is the subject of a valid building permit
27 for repair or rehabilitation and the owner is proceeding
28 diligently and in good faith to complete the repair or
29 rehabilitation of the structure as defined in the
30 enforcement order.

31 (B) The structure is:

- 32 (i) maintained in compliance with this chapter; and
- 33 (ii) actively being offered for sale, lease, or rent.

34 (C) The owner can demonstrate that the owner made a
35 diligent and good faith effort to implement actions
36 approved by the enforcement authority.

37 (b) If the structure continues to remain a vacant structure
38 beyond the initial ninety (90) days described in subsection (a) and
39 the owner does not meet any of the exceptions set forth in this
40 section, the enforcement authority may continue to assess penalties
41 each year on each structure in the following amounts:

42 (1) One thousand dollars (\$1,000) for the second ninety (90)
43 calendar day period each structure remains a vacant
44 structure or an abandoned structure.

45 (2) One thousand five hundred dollars (\$1,500) for the third
46 ninety (90) calendar day period each structure remains a
47 vacant structure or an abandoned structure.

48 (3) Two thousand dollars (\$2,000) for the fourth and each
49 subsequent ninety (90) calendar day period thereafter each
50 structure remains a vacant structure or an abandoned
51 structure.

1 **A civil penalty under this subsection may not exceed five thousand**
 2 **dollars (\$5,000) per structure per year.**

3 SECTION 16. IC 36-9-41-1 IS AMENDED TO READ AS
 4 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. This chapter applies
 5 to **the following:**

6 **(1) A public work project that will cost the political subdivision**
 7 **not more than two million dollars (\$2,000,000).**

8 **(2) An eligible efficiency project that will cost not more than**
 9 **three million dollars (\$3,000,000).**

10 SECTION 17. IC 36-9-41-1.5 IS ADDED TO THE INDIANA
 11 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 12 [EFFECTIVE JULY 1, 2009]: **Sec. 1.5. As used in this chapter,**
 13 **"eligible efficiency project" means:**

14 **(1) a project necessary or useful to carrying out an interlocal**
 15 **cooperation agreement entered into by two (2) or more**
 16 **political subdivisions or governmental entities under**
 17 **IC 36-1-7; or**

18 **(2) a project necessary or useful to the consolidation of local**
 19 **government services.**

20 SECTION 18. IC 36-9-41-3 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 3. Notwithstanding any
 22 other statute, a political subdivision may borrow the money necessary
 23 to finance:

24 **(1) a public work project; or**

25 **(2) an eligible efficiency project;**

26 from a financial institution in Indiana by executing a negotiable note
 27 under section 4 of this chapter. The political subdivision shall provide
 28 notice of its determination to issue the note under IC 5-3-1. Money
 29 borrowed under this chapter is chargeable against the political
 30 subdivision's constitutional debt limitation.

 (Reference is to EHB 1358 as reprinted March 18, 2009.)

Conference Committee Report
on
Engrossed House Bill 1358

Signed by:

Representative Crawford
Chairperson

Senator Lubbers

Representative Frizzell

Senator Lanane

House Conferees

Senate Conferees